

**REMARKS**

Following entry of the present Response and Amendment, claims 1-26 are cancelled and claims new 27-64 remain pending in this application, with claims 27, 48 and 58 being written in independent format.

**35 U.S.C. § 101**

The Office Action rejected prior claims 1-26, under 35 U.S.C. § 101 as purportedly being directed to non-statutory subject matter. In response, the present Amendment cancelled claims 1-16 and represents the present invention as new claims 27-64. These claims have been amended to clarify the subject matter of the present invention, and to place the present application in better condition for allowance. Additionally, claims 27-64 has been introduced for examination upon the merits in order to recite additional patentable aspects of Applicants invention. Applicants submits that the above-requested amendments do not add prohibited new subject matter, and respectfully requests reconsideration of the merits of the present application in accordance with these amendments and the following remarks.

**35 U.S.C. § 102**

The Office Action rejected claims 1-26 under 35 U.S.C. § 103(a) as being obvious in view of the combination of Carlton-Foss (U.S. No. 6,647,373) and Barni (U.S. No. 6,064,981). Specifically, the Office Action alleges that the claimed invention is obvious because Carlton-Foss discloses a system for managing reverse auctions and because Barni allegedly discloses an electronic exchange that enables buyers to schedule desired services according to transaction catalogs, and provides buyers with the ability to place bids on transportation capacity in seller's auctions and the ability to conduct buyer's auctions in which sellers can place bids on services desired by the buyers. Insofar as this ground for rejection applies to the claims as presently amended, Applicants respectfully traverses.

Carlton Foss mere provides general technology for enabling a reverse auction, and is otherwise not specifically applicable to the present invention as presently claimed. Specifically, Carlton Foss does not in anyway address the problems associated with establishing a

transportation trading network. As explained in greater detail below, Barny does not make up this deficiency.

As explained in Applicants' specification, various embodiments of the present invention address, *inter alia*, the failing that currently available centralized electronic market solutions have not allowed carriers and shipping customers to adequately exploit established business relationships in a manner similar to what occurs in traditional real-life market situations. A careful reading of Barni will reveal that it does not mention or otherwise address this failing, and, as will be made clear by the balance of Applicants' remarks, and similarly does not disclose or teach the various embodiments of Applicants' invention as is claimed.

Taking independent claim 27 first, Applicants claims an electronic market for negotiating transactions regarding the exchange of transportation services between buyers and sellers. The electronic market includes an auction transaction system and a catalog transaction system in electronic communication with one another, and means for said buyers and sellers to communicate with said auction transaction system and said catalog transaction system. The means for communicating is adapted to enable buyers and sellers to interact through the catalog transaction system and the auction transaction system. Further, the market enables buyers and sellers to designate selected other buyers and sellers as preferred trading partners within the auction transaction system or catalog transaction system. Using the designation of these preferred trading partners, the market optionally allows particular quoted rates and particular auctions to be made available to only said preferred trading partners.

Independent claim 48 recites a software tool for negotiating transactions regarding the exchange of transportation services between buyers and sellers that comprise a market place. The tool implements a set of instructions for establishing an electronic exchange network enabling buyers at their option to schedule desired services according to transaction catalogs published by said sellers, to place bids on transportation capacity being auctioned by sellers in seller's auctions, or to conduct a buyer's auction enabling sellers to place bids on rights to perform said desired services of said buyers. The tool also allows at least some buyers or sellers designate selected other buyers and/or sellers to be preferred trading partners with regard to one or more of the transaction catalogs, auctioned capacity, and auctioned rights to perform services. As recited in claim 48, the designated preferred trading partners are given preferential access

over buyers or sellers not designated as preferred trading partners in the electronic exchange network to certain discounted shipping rates or certain auctions.

Finally, independent claim 58 recites a software application for conducting a multiple level non-public auction in a transportation services market among a plurality of buyers and a plurality of sellers, where the software performs the functions of establishing the format of the auction as having multiple levels of non-public auction where the levels are arranged from a first level to a last level, and defining auction parameters detailing a form of acceptable bids and an identification of a transportation service or capacity being auctioned. The auction parameters also include the designation of certain buyers or sellers as preferred trading partners for one or more levels of said multiple level non-public auction wherein only those buyers or sellers designated as preferred trading partners may bid in any one level of said multiple level non-public auction. Starting at the first level and then for each level of said multiple level non-public auction, the method includes publishing notice to buyers and/or sellers designated as preferred trading partners, receiving bids from designated preferred trading partners and monitoring the received bids for a winning bid. The method proceeds to a next level of the non-public auction, if available, if an instruction is received indicating no winning bidder has been identified from the received and monitored bids.

Barni, however, discloses an Internet based system that allows multiple carriers and multiple shipping customers to exchange shipping information electronically. The Barni system allows carriers to post rates via an Internet web site and provides a mechanism whereby customers can either place secure orders based upon on those posted rates or can place bids in a online auction environment. Unlike the present invention as claimed, Barni does not disclose the use or concept of preferred trading partners. At column 7, lines 46-54, Barni states that “[p]referably, only registered customers or subscribers are permitted to engage in accepting posted seller bids.” This is describing the fact that, in Barni’s system, users of the auction and/or other features of the system would have to be registered with the system (i.e., have previously created an account, login, and or password). This is NOT the same as an auctioning party designating a subset of preferred trading partners from the available universe of registered buyers/sellers to whom access to an auction will be granted. Further, specifically with regard to claims 27-47, neither the cited portion nor the remainder of Barni disclose the concept of making

particular quoted rates and/or particular auctions available to only designated preferred trading partners. Thus, Barni in no way can be characterized as disclosing preferred trading partners as is recited in all present claims, as one of ordinary skill in the art will readily appreciate after reviewing Applicants' disclosure.

With regard specifically to independent claims 48 and 58 and the claims dependent therefrom, it is similarly clear that Barni does not disclose, teach or suggest a tool for conducting a multiple level non-public auction in a transportation services market among a plurality of buyers and a plurality of sellers where certain buyers or sellers are designated as preferred trading partners for one or more levels of said multiple level non-public auction such that only those buyers or sellers designated as preferred trading partners may bid in any particular level of the multiple level non-public auction.

Thus, Applicants respectfully submits that Barni does not disclose, teach, or otherwise suggest the present invention as recited in independent claims. Therefore, this ground for rejection has been overcome, and that all claims should now be allowed over Barni for these reasons alone.

Although claims 28-47, 49-57, and 59-64 are allowable over Barni in light of the above arguments as depending for allowable claims, Applicants requests independent reconsideration of the dependent claims as it is submitted that they recite various additional distinguishing features with regard to the prior art. For example, claims 28-31 and 46-47 describe an execution system that, for example, generates purchase orders for catalog transactions, generates automated tender offer for auction transactions, and allows electronic integration with billing and message systems of buyers and sellers. Also, as recited in claims 38-40, the electronic market's auction transaction system can be adapted to perform, for example, private auctions for preferred trading partners, multiple level private auctions for various levels of preferred trading partners (which is also described in independent claim 35 and all claims dependent therefrom), and private auctions that can ultimately be opened up as a public auction for all members of the market. Similar private and non-public auction features are recited in claims 49-51. Claim 45 describes that the execution allows buyers to download relevant catalog rates electronically for use in their private networks (such as, for example, use in a private transportation planning and optimization system).

Independent reconsideration of the applicability of Barni to all claims in the present application in light of the above remarks is respectfully requested.

**Conclusion**

In view of the foregoing, the Applicants respectfully request that the Examiner considers the above-noted Amendment before examination on its merits. The Examiner is invited to contact Applicants' undersigned representative to expedite prosecution.

Should the Examiner have any questions concerning this matter, he or she is invited to contact the Applicants' undersigned attorney at the telephone listed below.

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